



A PROFESSIONAL
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August 21, 2002

Michael J. Malmquist

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BY HAND DELIVERY

D. Wayne Hedberg
Permit Supervisor
Mineral Regulatory Program
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P. O. Box 145801
Salt Lake City, Utah 84114-5801

RECEIVED

AUG 21 2002

**DIVISION OF
OIL, GAS AND MINING**

**Re: Replacement Bond (SAFECO Bond No. ' for Little Mountain
Quarry (M/045/005)**

Dear Wayne:

On behalf of Utah Portland Quarries, Inc. ("Utah Portland"), enclosed are the executed originals of the replacement reclamation bond and reclamation contract for the above-referenced mine. The bond and contract are in the amount of \$69,800 (escalated) for the reclamation of approximately 23.3 acres of permitted disturbance. The bond is issued by SAFECO Insurance Company of American (Bond No. and replaces National Union Fire Insurance Company Bond No.

The bond amount of \$69,800 is as specified in the June 24, 2002 letter from the Division of Oil, Gas and Mining ("Division") to Lone Star Industries, Inc. (Utah Portland's parent corporation), which amount was mutually agreed upon by the Division and Utah Portland after a field inspection and an update and reassessment of estimated reclamation costs. The disturbed acreage figure of 23.3 acres is based on the Division's August 13, 2002 approval of an insignificant amendment to the reclamation permit.

SAFECO Insurance Company of America, the bond surety, is licensed in Utah, is listed as an acceptable surety company in the most recent version of the Treasury Department's Circular 570,¹ and has an "A" rating from A.M. Best's Key Rating Guide,² as required by Utah Administrative Code R647-4-113 (4.11).

¹ See <http://www.fms.treas.gov/c570/c570.html>


² See <http://www3.ambest.com/Frames/Frameserver.asp?site=ratings&Tab=2&RefNum=2448&AltNum=0&AltSrc=0&BR=&URATINGID=539797>

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Assuming that the replacement bond and reclamation contract are acceptable and are approved by the Division, please send Utah Portland and me a copy of the Division's signature pages for inclusion in our files. If you have any questions, please give me a call at (801) 536-6658.

Sincerely yours,

Parsons Behle & Latimer



Michael J. Malmquist

MJM/cvd

Enclosures

cc: Gregory J. Morical
Harry M. Philip

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OIL, GAS AND MINING